
Introduced by Senator Hancock

March 26, 2015

Senate Constitutional Amendment No. 5—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 4 of Article XIII A thereof, by amending Section 2 of Article XIII C thereof, and by amending Section 3 of Article XIII D thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 5, as introduced, Hancock. Local government: special taxes: voter approval.

The California Constitution conditions the imposition of a special tax by a local government upon the approval of $\frac{2}{3}$ of the voters of the local government voting on that tax, but authorizes the imposition of a local ad valorem tax for school facilities upon the approval of 55% of the voters voting on that tax.

This measure would condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, if the proposition proposing the tax contains specified requirements. The measure would also make conforming and technical, nonsubstantive changes.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

- 1 *Resolved by the Senate, the Assembly concurring,* That the
- 2 Legislature of the State of California at its 2015–16 Regular
- 3 Session commencing on the first day of December 2014, two-thirds
- 4 of the membership of each house concurring, hereby proposes to

1 the people of the State of California, that the Constitution of the
2 State be amended as follows:

3 First— That Section 4 of Article XIII A thereof is amended to
4 read:

5 Section 4. ~~Cities, Counties and special districts, by a two-thirds~~
6 ~~vote of the qualified electors of such~~ *A city, county, or special*
7 *district, upon the approval of 55 percent of its voters voting on the*
8 *proposition, may impose a special tax within that city, county, or*
9 *special district, may impose special taxes on such district, except*
10 *ad valorem taxes on real property or a transaction transactions tax*
11 *or sales tax on the sale of real property within such City, County*
12 *that city, county, or special district.*

13 Second— That Section 2 of Article XIII C thereof is amended
14 to read:

15 ~~SEC. 2. Local Government Tax Limitation.~~ Notwithstanding
16 any other provision of this Constitution:

17 (a) ~~All taxes~~ *Any tax* imposed by any local government ~~shall be~~
18 ~~deemed to be either general taxes or special taxes. Special purpose~~
19 ~~districts or agencies, including school districts, shall have no power~~
20 ~~to levy general taxes.~~ *is either a general tax or a special tax. A*
21 *special district or agency, including a school district, has no*
22 *authority to levy a general tax.*

23 (b) ~~No~~ *A local government may* ~~shall not~~ impose, extend, or
24 increase any general tax unless and until that tax is submitted to
25 the electorate and approved by a majority vote. A general tax ~~shall~~
26 ~~is not be~~ deemed to have been increased if it is imposed at a rate
27 not higher than the maximum rate so approved. The election
28 required by this subdivision shall be consolidated with a regularly
29 scheduled general election for members of the governing body of
30 the local government, except in cases of emergency declared by
31 a unanimous vote of the governing body.

32 (c) Any general tax imposed, extended, or increased, without
33 voter approval, by any local government on or after January 1,
34 1995, and prior to ~~the effective date of this article, shall~~ *November*
35 *6, 1996, may* continue to be imposed only if *that general tax is*
36 approved by a majority vote of the voters voting in an election on
37 the issue of the imposition, which election shall be held ~~within~~
38 ~~two years of the effective date of this article~~ *no later than*
39 *November 6, 1998, and in compliance with subdivision (b).*

1 (d) (1) A local government shall not impose, extend, or increase
2 any special tax unless and until that tax is submitted to the
3 electorate and approved by 55 percent of the voters voting on the
4 proposition, and all of the following requirements are met:

5 (A) The ballot proposition contains a specific list of programs
6 and purposes to be funded, and a requirement that tax proceeds
7 be spent solely for those programs and purposes.

8 (B) The ballot proposition includes a requirement for the annual
9 independent audit of the amount of tax proceeds collected and the
10 specified purposes and programs funded.

11 (C) The ballot proposition requires the governing board to
12 create a citizens' oversight committee to review all expenditures
13 of proceeds and financial audits, and report its findings to the
14 governing board and public.

15 ~~(d) No local government may impose, extend, or increase any~~
16 ~~special tax unless and until that tax is submitted to the electorate~~
17 ~~and approved by a two-thirds vote. A~~

18 (2) A special tax shall not be deemed to have been increased if
19 it is imposed at a rate not higher than the maximum rate so
20 approved.

21 Third— That Section 3 of Article XIII D thereof is amended
22 to read:

23 SEC. 3. ~~Property Taxes, Assessments, Fees and Charges~~
24 ~~Limited.~~ (a) ~~No~~ An agency shall not assess a tax, assessment,
25 fee, or charge shall be assessed by any agency upon any parcel of
26 property or upon any person as an incident of property ownership
27 except:

28 (1) The ad valorem property tax imposed pursuant to Article
29 XIII and Article XIII A.

30 (2) Any special tax receiving ~~a two-thirds vote pursuant to~~
31 ~~Section 4 of Article XIII A~~ The approval of that percentage of
32 voters on the proposition as required by this Constitution.

33 (3) Assessments as provided by this article.

34 (4) Fees or charges for ~~property related~~ property-related services
35 as provided by this article.

36 (b) For purposes of this article, fees for the provision of electrical
37 or gas service ~~shall are not be deemed~~ charges or fees imposed as
38 an incident of property ownership.

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